m/027/006

DIV. OF OIL, GAS & MINING



STEFFEN ROBERTSON AND KIRSTEN

Consulting Engineers and Scientists

January 23, 1997

Department of Natural Resources Division of Oil Gas and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801

ATTN: Mr. Anthony Gallegos

RE: Continental Lime, INC. Cricket Mountain—Bond Calculations

Dear Mr. Gallegos:

Enclosed you will find a copy of the bond calculations for the Cricket Mountain Project M/027/006. This letter is intended to inform you of the sources of information for labor (attached), seed mix, and equipment rates (attached). A total of 277 hours/scraper (832 total hours), and 709 hours/dozer were calculated for this bond; therefore, dozer and scraper rates were calculated as per monthly rental rates. Loaders and trucks were calculated as per weekly rental rates.

Spreadsheet Data Sources:

- 1. Equipment Rates—1997 Caterpillar Rental Rates
- 2. **Labor Rates**—General Wage Determination Issued Under the Davis-Bacon and Related Acts Volume VI; U.S. Dept. of Labor Employment Standards Administration Wage and Hour Division
- 3. **Seed Mix**—Great Basin Seed Supplier

The total bond amount for the Cricket Mountain Project is \$432,902; this translates to \$2,005/disturbed acre. However, this calculation includes the Crusher and Poison Mountain Undersize Material Stockpile. According to the *Revised Mining and Reclamation Plan for Continental Lime, INC. Cricket Mountain Quarry Millard County, Utah* (February 1992), the Crusher and Poison Mountain Undersize Material Stockpile have been bonded in the amount of \$24,530 (Revision, 07/31/89). Therefore, the actual bond submitted to the Division (forthcoming)-\$408,372-reflects the fact that the Crusher and Poison Mountain Undersize Material Stockpile have been previously bonded.

The reclamation contract, and bond paperwork are forthcoming. If we may be of further assistance, please do not hesitate to call.

Best Regards,

Steffen Robertson and Kirsten

Steven K. Herron

Geologist, Mining and Permitting

Enclosures

cc: Mike Brown

Vic Kastner Jeff Parshley